more than expected, owing mainly to public intervention, and recent data suggest that the rate of decline in economic activity is moderating, although to varying degrees among regions. Despite these positive signs, the global recession is not over, and the recovery is still expected to be slow, as financial systems remain impaired, support from public policies will gradually diminish, and households in countries that suffered asset price busts will rebuild savings. The main policy priority remains restoring financial sector health. Macroeconomic policies need to stay supportive, while preparing the ground for an orderly unwinding of extraordinary levels of public intervention.

The impact of the global economic crisis was transmitted to Indian economy initially through financial sector by way of reversal of capital flows, and then to real sector through negative growth in exports since October 2008. This, *inter alia*, led to slow down of growth of Indian economy to 6.7 per cent during 2008-09 as against 9.0 per cent during 2007-08. The forecast growth for fiscal 2009-10 is around 7.0 +/- 0.75 per cent.

The effect of global economic recession, however, has been minimal on the Indian economy *vis-a-vis* most other countries. An unimpaired financial system, large domestic market and fiscal and monetary stimulus packages have been responsible for the resilience exhibited by the economy against the adverse impact of global economic slowdown.

Economic growth rate

2621. SHRI JESUDASU SEELAM:
DR. T. SUBBARAMI REDDY:
Will the Minister of FINANCE be pleased to state:

(a) whether a United Nations report in the month of March pointed that while many developing countries are witnessing shrinkage of their economy, India would still maintain growth rate of 6 per cent in 2009;

(b) whether UN Economic and Social Commission for Asia and Pacific said that the various measures taken by Government in recent months would soften economic downturn;

(c) whether Government took measures to improve liquidity of financial sector and relaxed monetary policy and also introduced fiscal stimulus packages; and

(d) if so, what is main report of UN and when Government is confident to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) As per the Economic and Social Survey of Asia and the Pacific 2009 titled "Addressing Triple Threats to Development", March 2009 published by Economic and Social Commission for Asia and the Pacific (ESCAP) of the United Nations, the South and South West Asian sub region is forecast to grow by 4.3 per cent in 2009 as against 5.9 per cent in 2008. India is forecast in this report to achieve growth of 6 per cent in 2009 *vis-a-vis* 7.1 per cent in 2008. Referring to South and South-West Asia, the ESCAP Report states that some countries, including India, have introduced fiscal stimulus packages which should help soften the downturn in the sub region, and further strengthen domestic demand.

In view of the severity of the global economic crisis, India has taken both monetary and fiscal measures to restore the growth momentum. The monetary and credit measures taken by the Reserve Bank of India relate to provision of adequate liquidity and credit delivery, progressive reduction in the signalling Repo rate under the liquidity adjustment facility (LAF), reduction in cash reserve and statutory statutory liquidity ratios (CRR and SLR) for banks. These measures have been supplemented with sector specific credit measures for exports, housing, micro and small enterprises and infrastructure.

Further, to counter the negative fallout of the global slowdown, the Government responded by providing a substantial fiscal expansion in the form of tax relief to boost demand and increased expenditure on public projects to create employment and public assets.

The effect of global economic recession has been minimal on the Indian economy *vis-a-vis* most other countries. An unimpaired financial system, large domestic market and fiscal and monetary stimulus packages have been responsible for the resilience exhibited by the economy against the adverse impact of global economic slowdown.

Disinvestment of PSUs

2622. SHRI JESUDASU SEELAM: Will the Minister of FINANCE be pleased state:

(a) whether Government is planning to list at least five public sector undertakings (PSUs) in the stock markets after a similar effort last year had to be shelved at the last moment when the stock markets tanked following the global financial meltdown;

(b) if so, whether Government had earlier given a go ahead to a dozen odd PSUs to go public and all of them had initiated steps to disinvest; and

(c) if so, whether Government has also pointed out that it would adhere to FRBM Act after next financial year, as they need enhanced expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) In the year 2007-08, NHPC Limited, Oil India Limited and RITES Limited had proposed to make public offerings of equity. The Government decided to disinvest a small portion of equity out of its shareholding in these companies in conjunction with their public offerings.

The public offerings of NHPC Limited and Oil India Limited are likely to be completed in the current financial year. The public offering of RITES Limited has been deferred for the present by the company due to change in capital requirements of the company. After the public offerings NHPC Limited and Oil India Limited would get listed on the stock exchanges.

(b) All cases of disinvestment are decided on a case by case basis.

(c) As per the Medium Term Fiscal Policy Statement presented in the Parliament along with the Union Budget 2009-10 on 6th July, 2009 the Government has given a fiscal roadmap wherein it has been indicated that the fiscal deficit in 2010-11 and 20011-12 will be brought down to 5.5 per cent and 4 per cent of GDP respectively.